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Carlos Andres Lozano

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LERNER GREENBERG STEMER LLP
P O BOX 2480
HOLLYWOOD, FL 33022-2480

EXAMINER

MERCHANT, SHAHID R

ART UNIT

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11/17/2008

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/821,610	Applicant(s) LOZANO, CARLOS ANDRES	
	Examiner SHAHID R. MERCHANT	Art Unit 3692	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 28 October 2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-22 is/are pending in the application.
- 4a) Of the above claim(s) 1 and 16 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 2-15 and 17-22 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Status of the Claims

1. This action is in response to the supplemental amendment filed on October 28, 2008.

- Claims 1-22 are pending.
- Claim 1 and 16 has been cancelled.
- Claims 2 and 15 have been amended.

Response to Arguments

2. Applicant's arguments filed October 28, 2008 have been fully considered but they are not persuasive. Applicant argues on pages 11-13, that the newly amended claims (claims 2 and 15) over come the previous 35 U.S.C. § 101 rejection presented in Examiner's Answer dated July 16, 2008. Examiner disagrees. First, Applicant recites in the newly amended claim a device for performing an electronic transaction. It is unclear what this device is. Is it a computer or processor or is it a book or user's manual to help someone perform an electronic transaction? Further, it is not clear how this device for performing electronic transactions will allow someone to establish a stored credit...by the consumer [claim 1, step (a)]. Examiner attempted to look in the original disclosure for support regarding the limitations above. Examiner could not find any words like device, computer, processor, reflecting, electronic transaction or apparatus in the original disclosure. Examiner concludes that the newly added limitations appear to be new matter. See 35 U.S.C. § 112, 1st paragraph rejection below.

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3. Next, Applicant attempts to show support for the newly amended claim limitations in paragraphs 14 and 27 as shown below.

[0014] Electronic card authorizations were introduced in the 1970s, allowing retailers to get approval for transactions 24 hours a day. And by the late 1970s, magnetic strips on the back of cards, along with electronic dial up terminals shortened the transaction approval process to only 1-2 minutes. Now card authorizations can be almost instantaneous, allowing even greater convenience for both the retailer and the customer.

[0027] Establish a savings account with any bank and strictly for the purpose of making transactions using the financial card proposed here.

Examiner does not see any relevance to the current invention in paragraphs 14 and 27.

Card authorizations may have been done electronically, however it is not **inherent** that the current invention must be done electronically because it can be done manually without the use of computers as it was recited originally in the claims. Further, Applicant has not recited any structure or system components involved in performing the method electronically. Applicant concludes on page 13 that establishment of a savings account with a bank for use with the financial card of the invention, would inherently involve storing a credit on a computer associated with the bank. Examiner disagrees. In many parts of the world such as Pakistan or India or even parts of Africa still the banking transactions are performed by human being in a physical manner with general ledger books (i.e. paper). Further, to read the claim broadly, a financial card could simply be a piece of paper with an account number written on it. Having this card with the account number on it would provide access to the consumer for the stored credit.

Claim Rejections - 35 USC § 112

4. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the

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art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

5. Claims 2-15 and 17-21 rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention. Applicant added the limitations (a) in a system including a device for performing electronics transactions..., and (d) ...an electronic transaction reflecting... in claim 2. Examiner could not find any words like device, reflecting or electronic transaction or even a system including... in the original disclosure. Applicant attempts to show support for the newly amended claim limitations in paragraphs 14 and 27 as shown below, however Examiner does not see any relevance to the current invention and paragraphs 14 and 27 as cited (see arguments in previous section of the Office Action). Further, Examiner could not find any words like device or electronic transaction cited in paragraphs 14 and 27 with reference to establishing a stored credit or having a first amount debited from the stored credit.

[0014] Electronic card authorizations were introduced in the 1970s, allowing retailers to get approval for transactions 24 hours a day. And by the late 1970s, magnetic strips on the back of cards, along with electronic dial up terminals shortened the transaction approval process to only 1-2 minutes. Now card authorizations can be almost instantaneous, allowing even greater convenience for both the retailer and the customer.

[0027] Establish a savings account with any bank and strictly for the purpose of making transactions using the financial card proposed here.

6. The previously mentioned terms and limitations constitute new matter. Applicant is advised to point out in the original disclosure where the claimed subject matter appears otherwise the new subject matter should be removed from the claims.

Applicant is advised to review section **706.03(o) [R-3] New Matter** of the MPEP.

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35 U.S.C. 132. Notice of rejection; reexamination.

(a) Whenever, on examination, any claim for a patent is rejected, or any objection or requirement made, the Director shall notify the applicant thereof, stating the reasons for such rejection, or objection or requirement, together with such information and references as may be useful in judging of the propriety of continuing the prosecution of his application; and if after receiving such notice, the applicant persists in his claim for a patent, with or without amendment, the application shall be reexamined. **No amendment shall introduce new matter into the disclosure of the invention.**

Claim Rejections - 35 USC § 101

7. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

8. Claims 2-15 and 17-21 are rejected under 35 U.S.C. 101 based on Supreme Court precedent, and recent Federal Circuit decisions, a § 101 process must (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials) to a different state or thing. *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876). The process steps in claims (2-15 and 17-21) are not tied to another statutory class nor do they execute a transformation. Thus, they are non-statutory. As argued above, Examiner could not find any words like device, computer, processor, electronic transaction or apparatus in the original disclosure for performing any of the method steps recited in claims 2-5 and 17-21. Further, simply reciting a device for performing an electronic device is not adequate, because the claim has to recite a specific device, i.e. a computer or processor or machine.

Claim Rejections - 35 USC § 103

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9. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

10. Claims 2-4, 6, 9, 10 and 13-15, and 17-22 rejected under 35 U.S.C. 103(a) as being unpatentable over The Bank Credit Card Business by American Bankers Association (Hereinafter ABA) (see PTO-892, Ref. U) in view of Bonalle et al., U.S. Patent Application Publication 2003/0041025 (see PTO-892, Ref. G) and further in view of 401(k) too nice to pinch by Eileen Ambrose (see PTO-892, Ref. X). Hereinafter Ambrose.

11. As per claim 2, ABA teaches a method of managing a credit, comprising the steps of:

(a) in a system including a device for performing electronic transactions, establishing a stored credit on behalf of a consumer, corresponding to an amount advanced by the consumer; (see pages 183-185);

(b) setting parameters for repayment of amounts borrowed from the stored credit, wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees;

(c) obtaining a financial card, for providing access by the consumer to the stored credit (see pages 65-72);

(d) causing a first amount to be debited from the stored credit as a result of an electronic transaction reflecting a financial transaction using the financial card, resulting in a remaining credit (see pages 75-76 and Exhibit 6.9, items 2 and 3); and

(e) after step (d), paying, by the consumer, of at least one of interest and late fees on the first amount, in accordance with the parameters set in step (b). (see pages 76, 78 and Exhibit 6.9, items 14 and 15).

ABA does not explicitly teach (b) setting parameters for repayment of amounts borrowed from the stored credit, wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees and wherein the at least one of interest and a late fee is added to the remaining credit to form a new stored credit available to the consumer.

Bonalle teaches (b) setting parameters for repayment of amounts borrowed from the stored credit, wherein the parameters for repayment include parameters for at least one of a payment of interest and a payment of late fees (see paragraph 11).

Ambrose teaches wherein the at least one of interest and a late fee is added to the remaining credit to form a new stored credit available to the consumer (see Ref. X).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of ABA, Bonalle and Ambrose to allow a consumer to set interest rates because it attracts new consumers into becoming card members as taught by Bonalle (see paragraph 3) and credit a payment of interest to an account to form a new available balance as taught by Ambrose (see Ref. X).

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12. As per claim 3, ABA, Bonalle and Ambrose teach the method of claim 2 as described above. ABA further teaches the step (f) after step (d) and before step (e), sending a statement to the consumer for at least one of the first amount, interest or a late fee, in accordance with the parameters set in step (b) (see page 76).

13. As per claim 4, ABA teaches the method of claim 3 as described above. ABA further teaches wherein, the parameters set in step (b) specify billing the consumer for at least one of interest and a late fee only if the first amount is not paid in full prior to a deadline set by the parameters (see pages 52, 76-77 and Exhibit 6.9, item 6).

14. As per claim 6, ABA, Bonalle and Ambrose teach the method of claim 2 as described above. ABA does not explicitly teach wherein, the parameters set in step (b) permit the consumer to set an interest rate charged on at least the first amount.

Bonalle teaches wherein, the parameters set in step (b) permit the consumer to set the interest rate charged on at least the first amount (see paragraph 11).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of ABA, Bonalle and Ambrose to allow a consumer to set interest rates because it attracts new consumers into becoming card members as taught by Bonalle (see paragraph 3).

15. As per claim 9, ABA, Bonalle and Ambrose teach the method of claim 2 as described above. ABA further teaches wherein the first amount is debited from the stored credit in step (d) as the result of a purchase made using the financial card in a retail establishment (see page 76 and Exhibit 6.9, items 3, 11, 12 and 16).

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16. As per claim 10, ABA, Bonalle and Ambrose teach the method of claim 2 as described above. ABA further teaches wherein the paying in step (e) further includes repaying at least a portion of the first amount, and wherein the at least a portion of the first amount is additionally added to the remaining credit to form the new stored credit (see page 76).

17. As per claim 13, ABA teaches the method of claim 3 as described above. ABA further teaches (g) debiting a second amount from the remaining credit, using the financial card (see page 76, Exhibit 6.9).

18. As per claim 14, ABA, Bonalle and Ambrose teach the method of claim 2 as described above. ABA further teaches (h) debiting a finance charge from the stored credit if the parameters set in (b) are not met (see page 78).

19. Claim 15 recites similar limitations to claim 2 and thus rejected using the same art and rationale in the rejection of claim 2 as set forth above.

20. Claim 17 recites similar limitations to claim 3 and thus rejected using the same art and rationale in the rejection of claim 3 as set forth above.

21. Claim 18 recites similar limitations to claim 4 and thus rejected using the same art and rationale in the rejection of claim 4 as set forth above.

22. As per claim 19, ABA, Bonalle and Ambrose teach the method of claim 15 as described above. ABA further teaches (h) debiting a finance charge from the stored credit if the parameters set in (b) are not met (see page 78).

23. Claim 20 recites similar limitations to claim 6 and thus rejected using the same art and rationale in the rejection of claim 6 as set forth above.

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24. Claim 21 recites similar limitations to claim 10 and thus rejected using the same art and rationale in the rejection of claim 10 as set forth above.

25. As per claim 22, ABA teaches the financial institution managing savings, comprising:

a record of a credit stored by a consumer at the financial institution (see page 59);

a debit card affiliated with the financial institution, use of which provides the consumer with access to said stored credit (see page 65-72); and

a billing system for managing said stored credit according to said parameters set by the consumer, wherein said billing system debits said stored credit in accordance with purchases made using said debit card, said billing system generating a statement detailing said debits to said stored credit and any interest or late fees due in accordance with said parameters, said billing system further debiting an amount of said debits from the record of the stored credit and crediting said stored credit in the amount of any repayments of debits, payments of late fees and payments of interest made by the consumer; and (see Exhibit 6.9)

the financial institution transmitting said statement to the consumer (see page 81).

26. Claims 5, 11 and 12 rejected under 35 U.S.C. 103(a) as being unpatentable over The Bank Credit Card Business by American Bankers Association (see PTO-892, Ref. U) [Hereinafter ABA] in view of Bonalle et al., U.S. Patent Application Publication 2003/0041025 (see PTO-892, Ref. G) in view of 401(k) too nice to pinch by Eileen

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Ambrose [Hereinafter Ambrose] (see PTO-892, Ref. X) and further in view of Orchard Credit Cards (see PTO-892, Ref. V) [Hereinafter Orchard Bank].

27. As per claim 5, ABA, Bonalle and Ambrose teach the method of claim 2 as described above. ABA does not explicitly teach wherein, the parameters set in step (b) permit the consumer to set the maximum amount the stored credit can be debited by the first amount and subsequent amounts.

Orchard Bank teaches wherein, the parameters set in step (b) permit the consumer to set the maximum amount the stored credit can be debited by the first amount and subsequent amounts (see Ref. V).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of ABA, Bonalle and Ambrose and Orchard Bank to set maximum credit limits that can be debited because it prevents a consumer from spending more money than what is currently on deposit in a linked savings account.

28. As per claim 11, ABA, Bonalle and Ambrose teach the method of claim 2 as described above. ABA does not explicitly teach wherein the stored credit is a savings account in a bank, the savings account being managed in accordance with the parameters set in step (b), the bank providing the financial card to the consumer.

Orchard Bank teaches wherein the stored credit is a savings account in a bank, the savings account being managed in accordance with the parameters set in step (b), the bank providing the financial card to the consumer (see Ref. V).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of ABA, Bonalle and Ambrose and Orchard Bank to link a savings account to a credit card because it prevents a consumer from spending more money than what is currently on deposit in the linked savings account.

29. As per claim 12, ABA, Bonalle and Ambrose teach the method of claim 2 as described above. ABA teaches wherein the bank providing the financial card and statement to the consumer. ABA does not explicitly teach wherein the stored credit is stored in a savings account in a bank, the savings account being managed in accordance with the parameters set in step (b).

Orchard Bank teaches wherein the stored credit is a savings account in a bank, the savings account being managed in accordance with the parameters set in step (b), the bank providing the financial card to the consumer (see Ref. V).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of ABA, Bonalle and Ambrose and Orchard Bank to link a savings account to a credit card and providing a statement and credit card because it allows a consumer to make financial transactions using a credit that is linked to a savings account and receive monthly statement showing the transactions.

30. Claims 7 and 8 rejected under 35 U.S.C. 103(a) as being unpatentable over The Bank Credit Card Business by American Bankers Association (see PTO-892, Ref. U)

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[Hereinafter ABA] in view of PSECU Capitol Card (see PTO-892, Ref. W) [Hereinafter PSECU].

31. As per claim 7 and 8, ABA, Bonalle and Ambrose teach the method of claim 2 as described above. ABA does not explicitly teach wherein, the parameters set in step (b) permit the consumer to set a monthly minimum payment for repaying at least the first amount and wherein, the parameters set in step (b) permit the consumer to set the monthly minimum payment as a percentage of the funds owed.

PSECU teaches wherein, the parameters set in step (b) permit the consumer to set the monthly minimum payment for repaying at least the first amount and wherein, the parameters set in step (b) permit the consumer to set the monthly minimum payment as a percentage of the funds owed (see Ref W).

Therefore, it would be prima facie obvious to a person of ordinary skill in the art at the time of the invention to combine the teachings of ABA and PSECU to allow the consumer to set the monthly minimum payment based on a dollar amount or a percentage of balance owed because it allows the consumer flexibility in payments and convenience.

Conclusion

32. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to SHAHID R. MERCHANT whose telephone number is (571)270-1360. The examiner can normally be reached on First Friday Off.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Kambiz P. Abdi can be reached on 571-272-6702. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/Shahid R Merchant/
Examiner, Art Unit 3692

/Kambiz Abdi/
Supervisory Patent Examiner,
Art Unit 3692